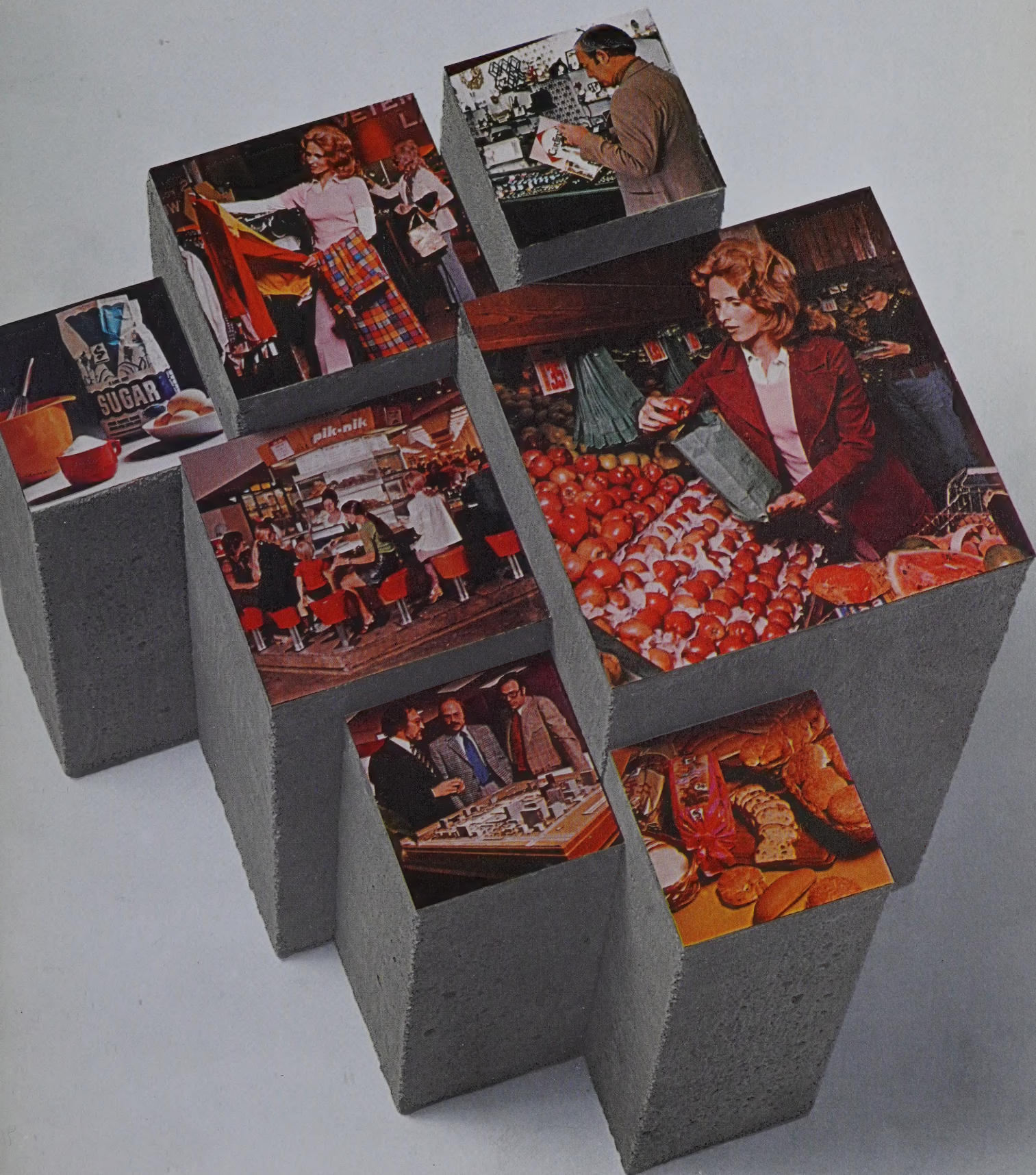




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Steinberg's Limited Annual Report 1972



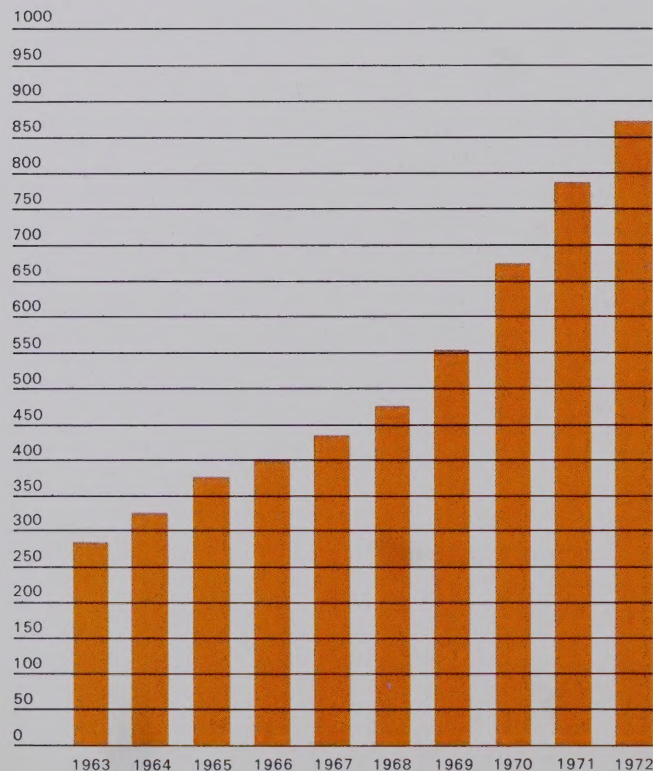
Highlights

(Expressed in thousands of dollars)	1972 (52 weeks)	1971 (53 weeks)
Sales	\$871,828	\$786,407
Net earnings	14,972	9,459
Earnings per common and Class "A" share (dollars)	2.16	1.37
Earnings per dollar of sales	1.72¢	1.20¢
Dividends per common and Class "A" share (dollars)	0.36	0.36
Salaries, wages and employee benefits	114,650	102,575
Capital expenditures	22,456	18,428
Working capital	26,203	8,979
Long term debt	99,228	82,943
Shareholders' equity	117,411	104,488
Equity per common and Class "A" share (dollars)	15.20	13.41
Total assets	287,848	266,685

Sales

For Fiscal Years 1963-1972

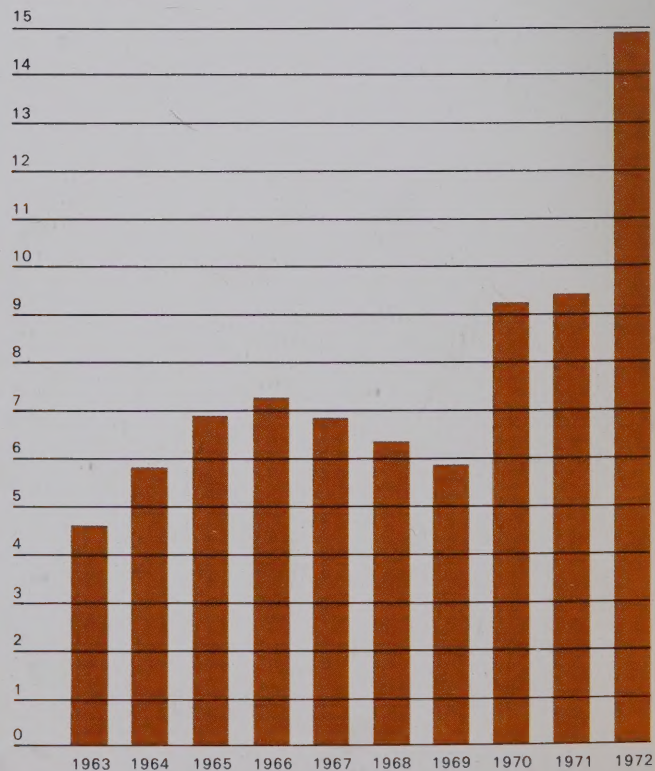
Millions of Dollars



Net Earnings After Taxes

For Fiscal Years 1963-1972

Millions of Dollars





Annual Report 1972

Contents

Front Cover	Strength through Diversity Our cover illustrates the diversified nature of our business. We operate supermarkets, discount department stores, catalogue showrooms, restaurants, a sugar refinery, a flour mill, a giant bakery and extensive processing facilities. Our real estate companies develop new locations including major regional shopping centres.
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Inside Back Cover	Our Company Structure
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Head Office
Alexis Nihon Plaza, 1500 Atwater Avenue,
Montreal 216, Canada

On peut obtenir un exemplaire français du présent rapport annuel en s'adressant au Secrétaire de la Compagnie, Alexis Nihon Plaza, 1500 Atwater, Montréal 216, Canada

Report to the Shareholders

Valid comparisons between one year's operations and preceding periods are sometimes difficult—so many circumstances which affect results tend to vary from year to year. However, by almost any standard, Steinberg's 55th year must be considered a most successful one.

The number of customers who found satisfaction in our stores, the volume of our sales and our overall share of market, the net earnings we realized from our diverse operations, all increased significantly during the fiscal year ended July 29, 1972.

These results were achieved during a year in which discount pricing became an increasingly important competitive factor in the supermarket industry. Despite the intensity of that competition, we retained the loyalty of our existing customers and attracted many new ones, especially young, economy-minded families and persons living on fixed incomes.

Consolidated sales of your Company for the year rose to \$871,828,000 a gain of some \$85 million or 10.86% over last year's record total of \$786,407,000.

The Company's net earnings from all operations improved markedly to a record \$14,972,000 from the \$9,459,000 earned in 1971. Earnings per common and Class "A" share rose to \$2.16 from \$1.37 a year ago.

It is important that shareholders and the public understand the following facts in relation to these increased earnings:

(1) At all times during the year, Steinberg's maintained its position of low price leadership in food retailing;

(2) At all times, Steinberg's adhered to its published policy of *not* raising food prices unless the suppliers of the goods raised their prices to Steinberg's. In many cases the Company either absorbed such increases or delayed passing them on to its customers;

(3) The Company's quality-controlled private label program made it possible to offer an increased number of fine products to the public at prices below those of comparable national brands;

(4) The Company's efforts to improve its operating methods resulted in greater efficiency and productivity. It was therefore able to *fully absorb* a host of increased costs such as wages, fringe benefits, construction costs, rents, municipal taxes, etc., all without raising food prices;

(5) The gross margins of Steinberg's food operations for the year 1972 were virtually *unchanged* from 1971; (In fact, over the past four years we have progressively lowered the percentage gross margin of our food retailing operations by more than 15%.)

(6) Our Miracle Mart department stores operated on a more profitable basis;

(7) Finally, one of the most significant factors influencing our record consolidated earnings was the substantially higher *real estate income* contributed by Ivanhoe Corporation and its subsidiaries.

In effect, therefore, our success in 1972 was mainly due to the consistent application of our low-price policies, the achievement of greater productivity and our ability to profit from the opportunities afforded by our diversified interests. Elsewhere in this report we make special mention of the increasing importance to the Company's profitability of shopping centre development and operations.

During the year, we expanded and improved our retail facilities. We opened 8 new supermarkets, 2 Miracle Mart department stores, 8 Cardinal catalogue showrooms and 18 Intercity Food units. Several food stores were completely renovated; two outdated ones were closed. A number of Miracle Marts were reduced in size to increase operational efficiency. Our expansion program added approximately 300,000 net square feet of selling space to our total retail system.

We also acquired for cash all the outstanding shares of Cartier Sugar Ltd. which were held by other shareholders and increased our share ownership in Phénix Flour Limited to slightly more than 69%. Capital expenditures for all purposes totalled \$22.4 million.

Our 1973 expansion plans call for the opening of 12 food stores, including two "Family Centres", 4 Miracle Marts, approximately 15 Cardinal showrooms and 25 Intercity units, as well as the completion of a major addition to our bakery.

An expanding business which is dedicated to leadership and the principle of changing with the times can only realize its objectives if it has the wholehearted support of its employees. Steinberg's 23,000 full and part-time employees have contributed greatly to its success in all market areas. The continuance of the good relationships which

exist within the organization will be a major preoccupation of all levels of our management during the years to come.

Dialogue with our customers and the general public after store hours was a frequent occurrence in the past year. Our public relations staff arranged 82 meetings between Company representatives and members of different social, service, educational, religious and consumer groups. More than 6,000 persons participated. We believe everyone benefited from these exchanges.

Reappraisal of our Company's goals has led us to believe that the growth of Steinberg's Limited can only be assured by greater understanding of the needs of both customers and employees and continued active concern for the organizational health of the Company.

To attain our objectives we must use our present assets and resources optimally and develop the financial, physical and human resources necessary to meet the challenges of the future.

While seeking to meet our market and financial goals we must:

(a) provide our customers with quality goods and courteous, efficient service at the lowest possible prices. Our conduct as a corporation must always be such that our customers can clearly identify us as committed to meeting their needs;

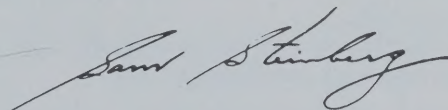
(b) be prepared to improve our physical facilities and add new ones as required;

(c) broaden our relationships with the communities we serve, demonstrating always our understanding of their economic and social concerns;

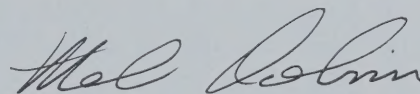
(d) evaluate and respond to the needs of employees for security, growth and personal fulfillment in their work; and

(e) ensure management continuity through systematic evaluation of personnel and planned programs for individual advancement.

Ours is not an activity focused merely on short term profit. We seek to succeed by operating as a progressive force and socially responsible enterprise, better serving the public's needs—today and tomorrow.



Chairman of the Board



President

November 10, 1972.



Sam Steinberg, *Chairman of the Board and Chief Executive Officer* and Melvyn A. Dobrin, *President*.

Financial and Operating Review

The Company attained record levels of sales and earnings in a year during which competitive food discounting was intensified. Apart from the success of our pricing policy we benefited, as did other retailers, from cyclical recovery in the Canadian economy. The gross national product continued to rise, as did disposable income. Consumers tended to spend more freely, accumulating a wide variety of goods, both durable and non-durable.

Sales reach \$871 million

Our total retail and manufacturing sales (excluding internal sales) reached \$871 million, increasing by over \$85 million or 10.86% above the \$786 million registered in the 53 weeks of 1971.

Steinberg's consolidated sales have more than tripled during the decade commencing 1963.

Net earnings up \$5.5 million

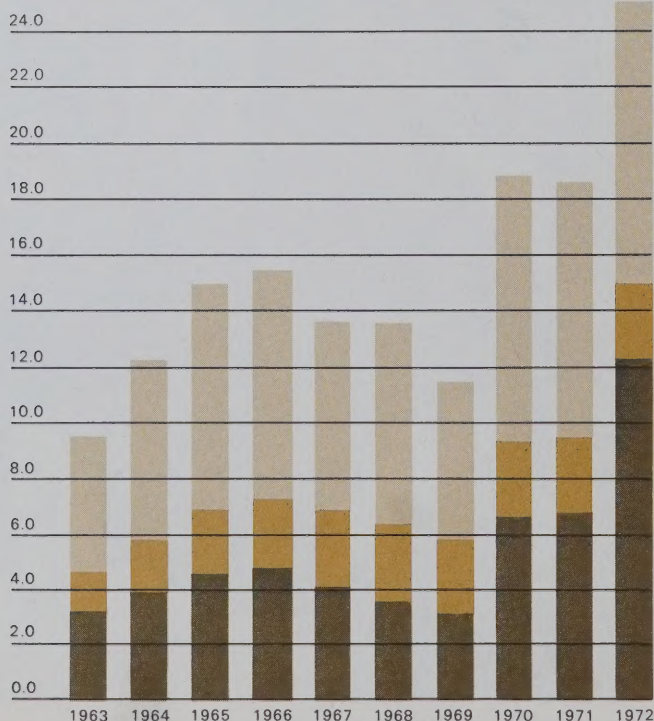
Our consolidated net earnings increased markedly over the \$9,459,000 earned last year, registering \$14,972,000. Following the same growth trend as our sales, our 1972 net earnings were more than three times those earned in 1963.

The food divisions, as in the past, contributed the greater part of our retailing earnings; however both Miracle Mart division and Intercity Food Services Inc. showed improved profitability over the prior year. Ivanhoe Corporation and its subsidiaries made a major contribution of \$3.6 million to these record earnings.

Distribution Of Earnings For Fiscal Years 1963-1972

- Federal and Provincial Income Taxes (Including deferred taxes)
- Dividends paid to Shareholders
- Earnings Retained in the Company

Millions of Dollars
26.0



Earnings per common and Class "A" share rose to \$2.16 from last year's \$1.37. On a per dollar of sales basis, our consolidated earnings increased from 1.20 to 1.72 cents. (If one considers only our retail and our manufacturing operations, the return per dollar of sales was 1.30 cents compared to 1.03 cents for the previous year.)

Quarterly Performance

As is customary, our quarterly earnings fluctuated in accordance with seasonal factors and competitive retailing conditions. In the second, third and fourth quarters, earnings from the real estate subsidiaries added materially to those derived from retail and manufacturing operations.

	1972		1971	
	Amount (in thousands)	Per Share	Amount (in thousands)	Per Share
1st (12 wks)	\$2,167	\$0.31	\$1,398	\$0.20
2nd (12 wks)	5,483	0.80	2,321	0.34
3rd (12 wks)	2,508	0.36	552	0.08
4th (16 wks)	4,814	0.69	5,188*	0.75
	\$14,972	\$2.16	\$9,459	\$1.37

* 17 wks

In order to clearly designate the source of our Company's income, the accompanying financial statements show not only the consolidated earnings of the entire enterprise but also include separate statements of consolidated earnings for (a) Steinberg's Limited and its retail and manufacturing subsidiaries, and (b) Ivanhoe Corporation and its real estate subsidiaries. In addition we have included, for the first time, a consolidated statement of Ivanhoe Corporation's cash flow.

Depreciation

Depreciation and amortization amounted to \$11.5 million compared with \$10.6 million for 1971. The Company computes and reports depreciation on the straight line method at rates sufficient to amortize the cost of assets over their estimated useful lives.

Income Taxes

Although the total provision for income taxes increased in 1972 over 1971, the percentage of tax payable on consolidated earnings was reduced. This was principally due to (a) the inclusion in earnings of \$2.08 million of non-taxable gains arising from real estate development, (b) the gain on redemption of bonds and debentures, (c) the utilization of losses carried forward in Intercity Food Services Inc. and Pik-Nik Limited and (d) the lower rates of corporate tax imposed by the federal and provincial governments.

Assets and Liabilities

The consolidated assets of the Company increased by over \$21 million to \$287,848,000. This reflects a substantial increase in merchandise inventories from \$59 million to \$68.4 million due to new store openings, as well as net additions to developed real estate and to retail and manufacturing facilities.

During the year the Company issued \$20 million of its 8½% Series "C" debentures. An additional 55,729 shares of Class "A" stock were sold to employees pursuant to the Company's stock option and stock purchase plans at prices totalling \$663,000. The Company repaid interim financing of some \$16 million of notes payable and reduced its long term real estate debt.

The Company acquired all outstanding shares of Cartier Sugar Ltd. held by third parties and increased its shareholding in Phénix Flour Limited to approximately 69%.

The Company's working capital (the excess of current assets over current liabilities) increased by \$17.2 million to \$26,203,000 at the year end. Current assets of \$87.2 million were 1.4 times its current liabilities of \$61 million.

Dividends and Shareholders' Equity

Dividends paid on the 5¼% preferred shares amounted to \$5.25 per share. The Company paid quarterly dividends aggregating 36 cents per share to holders of its common and Class "A" shares. The total amount of all dividends paid was \$2,620,000.

A total of 55,729 Class "A" shares were issued to employees under stock options and pursuant to the Steinberg Employee Stock Purchase Plan 1970. The Company redeemed 1,208 of its 5¼% cumulative redeemable preferred shares Series "A" at a gain to the Company of \$29,000. (Subsequent to the year-end the Company redeemed at par 102,000 of its 2½% non-cumulative redeemable subordinated preferred shares and increased the

quarterly dividend payable on its common and Class "A" shares from 9 to 12 cents per share.)

Equity capital increased by \$13 million to \$117.4 million at fiscal year-end. Shareholders' Equity amounted to \$15.20 per share compared with \$13.41 at the close of 1971. The rate of return on equity increased to 12.75% from 9.05% reported last year.

Operating Divisions and Subsidiaries

Quebec Division

This division, which operates food stores in the Province of Quebec and the Ottawa valley, is the largest retailing division of the Company. Consistently, its sales and its contribution to earnings exceed those of all other divisions.

In 1972 the division had its most successful year, realizing substantial increases in (a) the average weekly customer count per store, (b) the average weekly sales per customer (and per store), and (c) its share of total market.

Four stores were opened during the year at Trois-Rivières, St-Hyacinthe, Laval and Lachine. An older store at Laval was closed. Four stores were fully modernized. At the year-end, the division operated 136 food stores. In fiscal 1973 five new stores will be opened, as well as two "Family Centres" which will replace older conventional units. Two stores will be expanded and four others fully modernized.

Adherence to the program of Miracle Discount Prices in the face of rising costs dictates increasing productivity per unit. This can only be achieved through people. Thus the development and upgrading of personnel within a participative structure is a prime concern of divisional management.

A variety of ways are being developed to identify the management potential within our stores. At the same time, managers are being encouraged to evolve new approaches to work analysis and scheduling, merchandising and manpower planning.

Concurrently, the division is placing new emphasis on customer relations. In 1973 it will develop communications programs which will multiply the levels at which division personnel interact with the customers they serve.

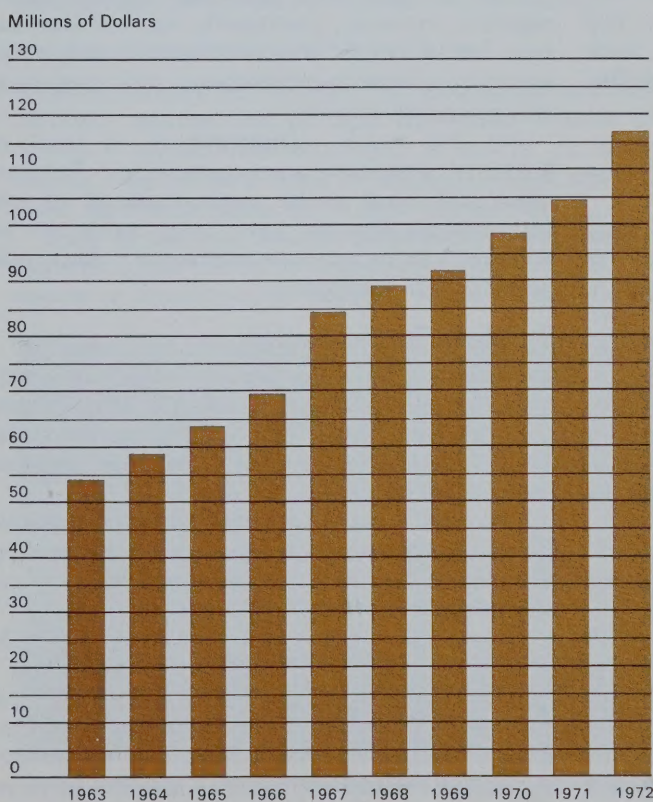
Ontario Division

The competitive conditions in food retailing were probably more challenging in Ontario than in any other market during 1972. Our Ontario Division, having experienced the severe competitive climate of 1971, was well equipped to face the new intensities of price competition which occurred during the past year and is now a stronger factor in that market. On the average, the division's stores now enjoy an extremely high sales volume.

At year end the division operated 49 stores, including four new ones at Belleville, Barrie, Mississauga and Sarnia. One outdated store was closed.

The maintenance of the division's position as low-price leader in Ontario and the public's continued preference for its services and products, enabled it to increase its sales volume and improve its profitability.

Growth of Shareholders' Equity
For Fiscal Years 1963-1972



As part of its continuing program of consumer education and research, the division named Miss Helen Gagen, the former food editor of the Toronto Telegram, as Consumer Advisor to act as liaison between customers and division management in all matters of consumer concern. Miss Gagen keeps a close watch on consumer needs and reaction, as well as on developments in nutrition, packaging and home food preparation.

The Division plans to expand four of its existing food stores, modernize four others and open five new Miracle Food Marts in fiscal 1973.

Miracle Mart Division

Although this division opened new stores at Trois-Rivières and Lachine, Quebec—it now operates 28—the past year was primarily one of consolidation and reorganization following several years of major expansion.

The selling space of several stores was reduced so as to lower fixed overhead and operational costs, as well as to increase per-square-foot efficiency. Inventories were reduced despite the opening of the two new stores.

The sales and profitability of virtually all stores have increased.

At the same time, the buying function has been reorganized to give greater emphasis to specialized knowledge and to move more of the merchandising decision process into the stores. Our objective is to ensure that our stores are strongly oriented toward the consumer, with store personnel supported by a highly specialized buying group.

The experience gained following these changes encourages a return to our former expansion rate. We believe that Miracle Mart is well prepared for profitable growth. The division will open four new department stores in fiscal 1973. These will be located in Galt, Hull, the Bramalea City Centre and the Scarborough Town Centre.

Intercity Food Services Inc.

Our restaurant subsidiary expanded rapidly in 1972, opening 10 Pik-Nik snack bars, five Pik-Nik dairy bars and three Le Quick restaurants. Nine of the new units were located in Montreal, seven in Trois-Rivières and one each in Sherbrooke and Cornwall. As of July 29, seventy-one retail units were in operation.

Public acceptance of these convenience outlets has been remarkably good. We attribute this to high quality food and fast, efficient service. Various foods, prepared according to Intercity's own formulas, are now being provided by Steinberg Foods Limited to all Intercity restaurants.

Intercity has made great progress over the past year and now contributes significantly to Steinberg's consolidated earnings.

The division is doubling the size of its new Le Quick restaurants, which permits a seating capacity of approximately 140 seats per unit. In fiscal 1973, it plans to open more than 25 new outlets, eight of which are already in operation. These will be located in greater Montreal, the Ottawa-Hull region, Tracy-Sorel, Chicoutimi, Galt and Metropolitan Toronto.

Cardinal Distributors (1970) Limited

This subsidiary, which commenced operations last year, operates catalogue showroom stores varying from 3,000 to 6,500 square feet of selling space. At the fiscal year-end 8 stores were operating.

Cardinal has produced a 176 page colour catalogue featuring national brand merchandise for the fall and winter season. A supplementary colour catalogue will be issued offering spring and summer merchandise. The showrooms display one of each item carried in the catalogues.

Our policy is to charge catalogue costs and pre-opening expenses against the current year's operations. This policy and the limited number of stores in operation prevented Cardinal from attaining a profitable level in 1972. However customer response and sales results were most encouraging.

Cardinal expects to open approximately 15 new stores in fiscal 1973. Further rapid expansion will occur over the next few years.

Oak Pharmacies Limited

This small subsidiary operates pharmacies which are usually located in our Ontario-based Miracle Mart department stores. The number of these units increased from 8 to 12 during the year. These pharmacies, which operate on a discount basis, effectively complement the other services offered for customer convenience and realize a modest profit.

Supermarchés Montréal S.A.

Steinberg's holds a minority (49%) interest in this French company which operates four food stores in the Paris region.

Sales of these units have been exceptional from the beginning; however, profitability has not kept pace with sales and we have found it difficult to provide adequate operating controls in circumstances where Steinberg's holds only a minority interest.

For this reason, subsequent to its fiscal year-end, Steinberg's entered into arrangements with Primisteres S.A. which will result in the eventual sale of its interest in Supermarchés Montréal upon terms which will return to Steinberg's its approximate investment in the company and relieve it of all guarantees.

Steinberg Foods Limited

The large bakery and processing facilities operated by this subsidiary provide baked goods and other private brand food products to our retail and restaurant divisions. In 1972 Steinberg Foods again contributed significantly to consolidated earnings.

This division's quality control laboratories ensure that all Steinberg's private label food products meet our pre-established standards, guaranteeing to our customers highest quality at the lowest possible price.

Construction of a major expansion to the Montreal bakery was commenced during the year. This project, which will be fully operative in the fall of 1973, is designed to meet all the private label bakery requirements of the Quebec Division over the next decade. Its modern, highly automated facilities will produce specialty items as well as provide additional capacity for the existing bakery.

Cartier Sugar Ltd.

The past year marked the first set-back this subsidiary has suffered since the early years of its operations. Earnings declined, principally due to a substantial write down of inventory values necessitated by abnormal price conditions in the sugar market. All of Cartier's competitors were similarly affected.

However, despite higher costs and vigorous competition, Cartier maintained a strong market position and looks forward to a return to more normal profit levels.

A number of projects are under way or in the planning stages which are designed to improve efficiency and reduce operating costs. These include warehouse modification, changes in the bulk sugar loading system and possible increase in the manufacturing capacity of the refinery.

Phénix Flour Limited

The total sales of this subsidiary for both hard and soft wheat flour increased over those of the previous year. Export sales were down slightly.

The past year was a difficult one for the milling industry in Canada, primarily because of the low prices obtained for millfeeds which are the by-products of the milling operation. In addition, the strike on the Montreal waterfront obliged Phénix to ship export orders through maritime ports at higher transportation costs. As a result of these two factors, net earnings of Phénix declined from those of last year.

However, the Phénix mill is a very efficient one which is constantly being improved. During 1972 it operated at 90% capacity based upon a 5-day week. The outlook for the coming year is encouraging in view of improving prices for millfeeds and the prospect of increased export orders.

Ivanhoe Corporation and Subsidiaries

Ivanhoe, directly or through its subsidiaries, acquires, develops, operates and manages real estate. In most of Ivanhoe's developments Steinberg's is one of its major tenants. Ivanhoe administers 32 shopping centres totalling about 4.5 million square feet of gross leasable area.

Early in the year, Ivanhoe participated in the development of a new centre at Trois-Rivières, Quebec. Later it opened a wholly-owned shopping centre in Lachine. A

further important activity of the Ivanhoe group has been its program of modernization, including the construction of enclosed malls in several shopping centres. By July, the St. Martin and Wilderton centres were enclosed and work was well advanced at the Ile Perrot, Elmvale Acres and Forest shopping centres. Renovations were also under way at the Greenfield Park centre and at West Island Mall.

Substantially higher rental income resulted from the greater number of properties under lease and from increased sales percentage rentals.

Another and most significant contribution to Ivanhoe's earnings resulted from gains made through its entering into arrangements with other major retailers and real estate companies for the development of new regional shopping centres such as the Carrefour Laval, the Bayshore Shopping Centre and Les Galeries Hull.

Ivanhoe Financial Highlights

July 29, 1972

	(in thousands of dollars)
Total assets	\$125,384
Total long-term debt outstanding	
—parent company	28,138
—other	57,081
Revenue—rentals	13,017
Revenue—other	2,620
Net earnings	3,620
Cash Flow from operations	7,401

Labour Relations

Wages and employee benefits paid to our more than 23,000 full and part-time employees totalled \$114,650,000.

Two-year collective agreements covering employees in the Montreal region were satisfactorily negotiated early in the fiscal year. These agreements set the pattern of settlement for seven other collective agreements which were subsequently signed.

The Company has been engaged in an open two-way communications program with its employees whereby the problems of each are made known to the other. This increasing use of communications with employees played a vital role in resolving differences during a year characterized by a new level of activism on the part of unions throughout Canada.



An \$8.5 million extension to the main bakery is scheduled to be completed in 1973.

Real Estate Development

Ivanhoe Corporation, which has been a wholly-owned subsidiary of Steinberg's Limited since 1967, is one of Canada's largest real estate companies. Formed in 1953, its original role was limited to developing free standing food store locations for Steinberg's. Subsequently it became an active developer of conventional shopping centres, all of which were planned in close association with Steinberg's management.

The interests of Ivanhoe as a developer and Steinberg's as a retailer have continued to coincide in recent years with the advent of regional shopping centres. These centres serve large metropolitan areas and are much larger than conventional centres. They bring together under one roof several major competing retailers, as well as a host of smaller independent stores and service outlets. Since they require much larger capital outlays, Ivanhoe has become involved on a partnership basis with other developers and

retailers in the planning, construction and ownership of such facilities.

This form of joint participation has enabled Ivanhoe to have an interest in a greater number of such developments and to put to profitable use land which it had acquired for development purposes. It also assures Steinberg's of retail locations in these important centres.

Major developers with whom Ivanhoe is now associated in such projects include The Fairway Corporation of Canada Limited, Cambridge Leaseholds Limited and Bramalea Consolidated Development Limited.

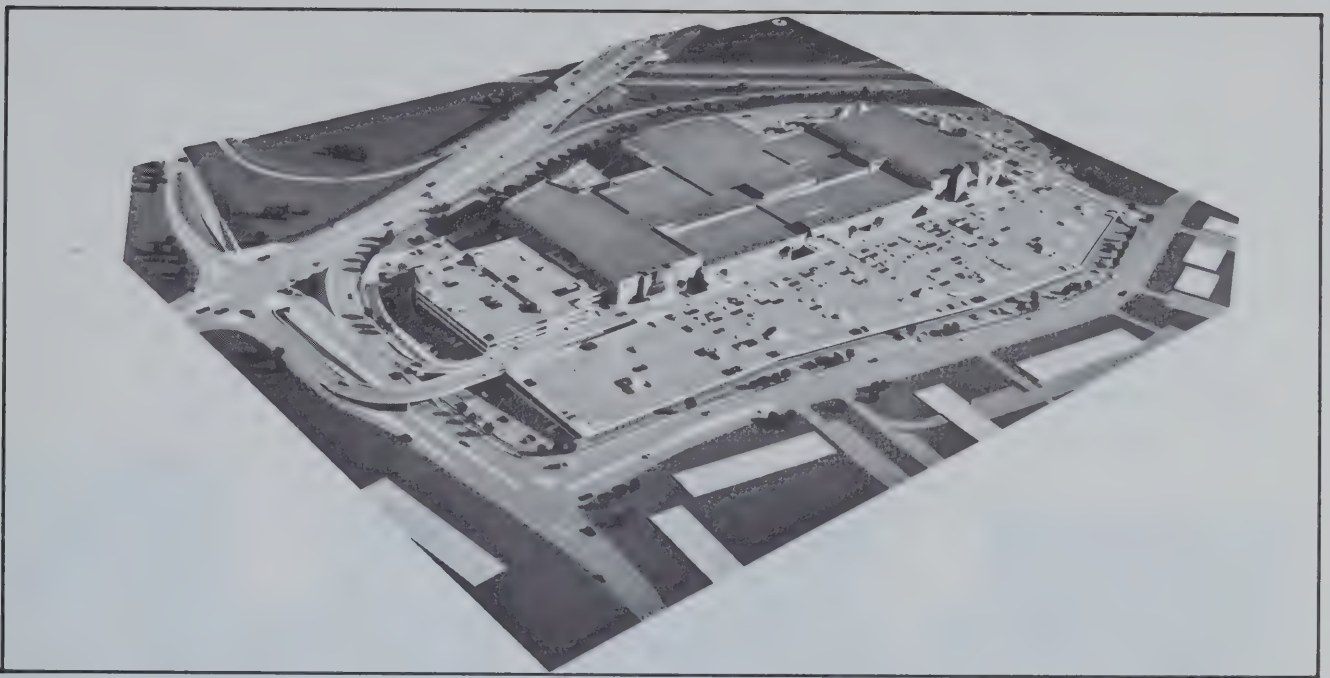
A number of centres have been so developed, are currently under construction, or are in various stages of planning. These include a centre at Trois-Rivières, one in Toronto (Victoria Park and Sheppard), the Bayshore development in Ottawa, Les Galeries Hull, and giant regional centres in Laval and St. Bruno. Below are artistic renditions of some of these new projects.



Victoria Park and Sheppard in Toronto includes a Miracle Food Mart and Eaton's first Horizon department store.



Les Rivières Shopping Centre is a major regional centre in Trois-Rivières with such tenants as Steinberg's, Miracle Mart and Simpsons-Sears.



Bayshore—a major regional shopping centre in Ottawa's west end—will have as its principal stores Steinberg's, Miracle Mart, Eaton's and The Bay.



Le Carrefour Laval, scheduled to open in 1974, will be the largest shopping centre in the Province of Quebec. It will contain some 150 stores including Steinberg's, Miracle Mart, Eaton's, Simpsons, Dupuis and Pascal's. The estimated cost for the centre is \$27 million.



Les Galeries Hull, the newest shopping centre in the Capital Region, has as its anchor stores, Steinberg's, Miracle Mart and Simpsons-Sears.

Careers for Women

As Steinberg's has grown, so have the opportunities for employment in a wide variety of challenging positions within the Company. Progressively, more and more of these positions are being filled by women.

Those we show on these pages are representative of the many highly qualified women who occupy positions of senior responsibility throughout our organization.



Alice King
Director of Administrative Services
Miracle Mart Division

Alice is a graduate in Commerce and Finance of Queen's University. She joined Steinberg's in 1961 as Director of Operational Audit—a position which had not previously existed. The knowledge and experience gained in this role led to her being named Director of Administrative Services for Miracle Mart this year. Alice is responsible for Inventory Management, Warehousing and Distribution, Security, and Store Operations Services. Her function is to co-ordinate and provide direction for all these services which must work together if the stores are to properly serve the public.

Alice's outside interests include golf, music, reading, and perhaps most of all, enjoying the tranquillity of her new home in the country.



Lydia Patry-Cullen
Director of Advertising and Consumer Affairs
Quebec Division

Lydia joined Steinberg's in 1969 armed with a degree in Sociology from the University of Montreal and with 12 years experience in journalism. She arrived as head of the French Advertising section but was soon named Director of Advertising.

Lydia is responsible for all Quebec Division advertising and its related production facilities. In this area she reports to the Director of Sales for the division while for her special concerns in consumer affairs she reports to the division's Vice-President and General Manager.

Lydia's outside interests include membership in various professional organizations as well as reading, music, swimming and skiing.



Joy Reese
Manager of Personnel Services
Ontario Division

Joy joined Steinberg's as a secretary in the Personnel Department in 1959. She was made office manager in 1960 and assumed her present position in 1967. Her job involves Joy in labour relations research, co-ordination of payroll activities, job descriptions and evaluations, wage and salary administration and labour relations grievances. She is responsible for the maintenance of employee records and for the administration of employee benefits for the division.

Joy's outside interests range from gardening to travelling. Where other people have pen pals, Joy exchanges tape recordings with interesting people around the world.



Jill MacGregor-Bock
Manager of Financial Analysis and Planning
Head Office

Jill joined the Company in 1968 with an M.B.A. from McGill University and a B.A. from Queen's University. She has held her present position since 1970. Reporting to the Vice-President and Comptroller, she sees her role as being a resource to top management in the area of financial analysis and planning and a research service to the Company in finding new financial analysis techniques. Whether the job be determining the profitability of a new store location or developing a long-range financial planning model, Jill and her staff of analysts are involved.

In her spare time Jill, a native Montrealer, enjoys such varied interests as golf, skiing, bridge, travelling and opera.



Pierrette Martin
Director of Industrial
Engineering and Maintenance
Steinberg Foods Limited

Pierrette joined Steinberg's in 1964 after graduating from the University of Montreal with a degree in Chemical Engineering. Pierrette's job involves her in the planning of production lines, determining what equipment is needed, and the modifying of existing equipment to maximize productivity. She and her staff of 100 are also responsible for the maintenance of Steinberg Food's production facilities in its main bakery, specialty bakery and delicatessen operations. Away from the office Pierrette's interests include golf, travelling, swimming and theatre.



Ethel Gosham
Fashion Director
Miracle Mart

Born in England, Ethel was educated in India, Burma, Ceylon, China and at Birmingham University in England. She joined Miracle Mart in 1967 and functions as our contact with the international world of fashion. Ethel's job has three basic components. The first is researching trends in the fashion capitals of the world. The second is using this knowledge to plan our fashion program with the Miracle Mart buyers and the third is keeping our store personnel informed on the coming trends and what we are doing. Ethel's outside interests include fashion, the Girl Guides Association of Canada, the Montreal Symphony Orchestra's Women's Group and the Montreal Oral School for Deaf Children. Like most busy executives she likes to have a week-end at the cottage with the family.



Marielle Roquet
Employment Manager
Head Office

Marielle is a graduate of the University of Montreal who joined Steinberg's in 1966. Beginning as an employment interviewer she was made department manager in 1970. Marielle and her staff of interviewers are involved in the hiring of middle management and technical personnel for the head office and the Quebec based divisions. They must be in a constant contact with both educational institutions and the various departments in the Company. More recently Marielle has become involved in our new assessment centres for evaluating people for promotion. Marielle's outside interests are primarily culturally oriented and include politics, history, reading and art.



Marge Essery
Corporate Secretary
Cartier Sugar Ltd.

Marge has been with Cartier Sugar since it was incorporated in 1963 and was appointed to her present position in 1965. In addition to the usual functions of the corporate secretary Marge is also involved in many other varied activities. She is implicated in the buying of raw sugar, the direct selling of refined sugar, and on an administrative level, the marketing operation through sugar brokers. After the heavy demands of the business day, Marge's main pleasure is relaxing with her family.

Consolidated Balance Sheet

as at July 29, 1972
(expressed in thousands of dollars)

Assets		1972 \$	1971 \$
Current Assets	Cash	8,650	9,788
	Marketable investments — at cost (approximately market value)	509	356
	Accounts receivable	5,809	6,020
	Inventories — at the lower of cost or market	68,440	59,011
	Prepaid expenses	3,836	2,634
		87,244	77,809
Investments	Sundry investments — at cost (note 2)	1,524	1,589
Assets of Real Estate Operations	Property—		
	Undeveloped land — at cost plus carrying charges	16,572	18,213
	Land, buildings and parking areas — at cost	\$123,543	
	Less: Accumulated depreciation	25,407	87,321
		114,708	105,534
	Investments — at cost	4,006	2,958
	Other assets — principally amounts recoverable on land transactions	2,567	3,392
		121,281	111,884
Fixed Assets — Retail and manufacturing Operations			
	Land and buildings	\$ 5,089	\$ 779
	Equipment	95,687	51,910
		\$ 100,776	\$52,689
		48,087	47,353
	Leasehold improvements — at cost, less amortization	12,683	11,646
		60,770	58,999
Intangible Assets	Unamortized discount on long-term debt	1,570	1,222
	Excess of cost of shares in subsidiary companies over net book value at date of acquisition	15,459	15,182
		17,029	16,404
		287,848	266,685



Liabilities		1972 \$	1971 \$
Current Liabilities	Notes payable	4,130	20,707
	Accounts payable and accrued liabilities	53,953	45,964
	Dividends payable on preferred shares	39	41
	Income taxes	2,627	1,811
	Current portion of long-term debt (note 3)	292	307
		61,041	68,830
Long-term Debt and Other Obligations (note 3)	Real estate operations	57,081	59,085
	Retail and manufacturing operations	42,147	23,858
		99,228	82,943
Deferred Income Taxes		8,575	8,004
Minority Interest	(including preferred shares: 1972—\$723,200; 1971—\$1,132,000)	1,593	2,420
Shareholders' Equity			
Capital Stock (note 4)	Authorized—		
	80,866 cumulative redeemable preferred shares of the par value of \$100 each		
	102,000 2½% non-cumulative subordinated preferred shares redeemable at their par value of \$98 each		
	4,500,000 Class "A" shares without par value — non-voting		
	3,500,000 common shares without par value		
	Issued and fully paid—		
	29,658 5¼% preferred shares — Series "A"	2,966	3,087
	102,000 subordinated preferred shares	9,996	9,996
	3,873,161 Class "A" shares	4,913	4,250
	3,000,000 common shares	1,500	1,500
		19,375	18,833
Contributed Surplus (note 5)		10,515	10,486
Retained Earnings		87,521	75,169
		117,411	104,488
		287,848	266,685

Signed on behalf of the board
Sam Steinberg, *Director*
Mel Dobrin, *Director*

Consolidated Statement of Retained Earnings

for the year ended July 29, 1972
(expressed in thousands of dollars)

	1972 \$	1971 \$
Balance—Beginning of Year	75,169	68,318
Net earnings for the year	14,972	9,459
	90,141	77,777
Dividends—5¼% preferred shares	158	164
—Class "A" and common shares	2,462	2,444
	2,620	2,608
Balance—End of Year	87,521	75,169



Consolidated Statement of Earnings

for the year ended July 29, 1972
(expressed in thousands of dollars)

		1972 \$	1971 \$
Sales and Operating Revenue		881,575	792,821
Expenses			
	Cost of sales and other operating and administrative expenses	712,408	644,143
	Wages and employee benefits	113,827	101,774
	Directors' and officers' remuneration	823	801
	Rentals and lease purchase payments	11,426	11,350
	Depreciation and amortization (note 9)	11,511	10,674
		849,995	768,742
Earnings from Operations		31,580	24,079
Financial (Income) and Expenses			
	Interest and amortization of discount on long-term debt	5,890	5,432
	Other interest	1,003	1,597
	Investment income, including interest earned and gain on redemption of long-term debt	(1,102)	(1,581)
		5,791	5,448
Earnings before Income Taxes		25,789	18,631
Income Taxes			
	Current	10,067	9,111
	Deferred	552	(111)
		10,619	9,000
Earnings before Minority Interest		15,170	9,631
Minority Interest		198	172
Net Earnings for the Year		14,972	9,459
Net Earnings per Class "A" and Common Share (note 10)		\$ 2.16	\$ 1.37
Represented by:			
	Retail and manufacturing companies (after eliminating dividends from Ivanhoe Corporation of \$750,000 in each year)	11,352	8,136
	Real estate companies	3,620	1,323
		14,972	9,459

Consolidated Statement of Earnings

for the year ended July 29, 1972
(expressed in thousands of dollars)

		1972 \$	1971 \$
Sales	% increase 1972—10.86%; 1971—15.71%	871,828	786,407
Operating Expenses	Cost of sales and other operating and administrative expenses	710,318	642,008
	Wages and employee benefits	113,815	101,917
	Rentals and lease purchase payments	17,316	16,445
	Depreciation and amortization (note 9)	8,847	8,227
	% increase 1972—10.63%; 1971—16.12%	850,296	768,597
Earnings from Operations		21,532	17,810
Financial Expenses	Interest and amortization of discount on long-term debt	1,853	1,809
	Other interest	972	1,427
		2,825	3,236
		18,707	14,574
Income from Investments	Interest on advances—Ivanhoe Corporation	1,245	1,416
	Dividends on preferred shares—Ivanhoe Corporation	750	750
	Other, including interest earned and gain on redemption of long-term debt	546	704
		2,541	2,870
Earnings before Income Taxes		21,248	17,444
Income Taxes	Current	9,589	8,714
	Deferred	(502)	(262)
		9,087	8,452
Earnings before Minority Interest		12,161	8,992
Minority Interest		59	106
Net Earnings for the Year		12,102	8,886



Consolidated Statement of Earnings

for the year ended July 29, 1972
(expressed in thousands of dollars)

		1972 \$	1971 \$
Revenue			
	Rentals—Steinberg's Limited and subsidiaries	5,890	5,095
	—Other	7,127	6,005
	Gain on sale of land	541	409
	Gain arising from real estate developments	2,079	—
		15,637	11,509
Expenses			
	Operating and administrative	2,090	2,135
	Wages and employee benefits	835	658
	Depreciation (note 9)	2,664	2,447
		5,589	5,240
Earnings from Operations		10,048	6,269
Financial (Income) and Expenses			
	Interest and amortization of discount on long-term debt—		
	Steinberg's Limited	1,245	1,416
	Other	4,037	3,623
	Other interest	31	170
	Investment income, including interest earned and gain on redemption of long-term debt	(556)	(877)
		4,757	4,332
Earnings before Income Taxes		5,291	1,937
Income Taxes	Current/Deferred	478/1,054	397/151
		1,532	548
Earnings before Minority Interest		3,759	1,389
Minority Interest		139	66
Net Earnings for the Year		3,620	1,323

Ivanhoe Corporation and Subsidiaries

Consolidated Statement of Cash Flow

for the year ended July 29, 1972
(expressed in thousands of dollars)

		1972 \$	1971 \$
Net Earnings for the Year		3,620	1,323
	Non-cash items—depreciation	2,664	2,447
	—deferred income taxes	1,054	151
	—other	63	92
Cash Flow from Operations		7,401	4,013
Cash Flow per Steinberg's Class "A" and Common Share		\$ 1.08	\$ 0.59

Consolidated Statement of Source and Use of Working Capital

for the year ended July 29, 1972
(expressed in thousands of dollars)

		1972 \$	1971 \$
Source of Working Capital	Net earnings for the year	14,972	9,459
	Items not affecting working capital—		
	Depreciation and amortization	11,612	10,841
	Deferred income taxes	552	(111)
	Minority interest	198	172
	Provided from operations	27,334	20,361
	Additional debt and capital stock issued—		
	Steinberg Realty Limited		
	Net proceeds from issue of 8½% Series "A" bonds	—	14,625
	Steinberg's Limited		
	Net proceeds from issue of 8% Series "C" debentures	19,550	—
	Mortgage payable	—	1,000
Use of Working Capital	Class "A" shares to employees (1972—55,729 shares; 1971—37,765 shares)	663	447
	Reduction of investments and other items	—	312
		47,547	36,745
	Net additions to assets—		
	Real estate property	8,802	10,230
	Retail and manufacturing—fixed assets	13,654	8,198
	Investments and other items	416	—
		22,872	18,428
	Reduction of long-term debt	3,715	13,967
	Reduction of deferred income taxes due to adjustment of capital cost allowances claimed	—	481
	Reduction of minority interest	1,024	540
	Redemption of 5% preferred shares—net	92	893
	Dividends	2,620	2,608
		30,323	36,917
Increase (Decrease) in Working Capital		17,224	(172)
Working Capital—Beginning of Year		8,979	9,151
Working Capital—End of Year		26,203	8,979

Notes to Consolidated Financial Statements

for the year ended July 29, 1972



1. Principles of Consolidation

The consolidated financial statements include the accounts of all companies in which Steinberg's Limited has a controlling interest, including those of Ivanhoe Corporation and its subsidiaries.

2. Investments

Sundry investments include a minority interest (49%) amounting to \$973,000 in Supermarchés Montréal, a French company which currently operates four stores in the Paris area. Steinberg's Limited has also guaranteed loans to Supermarchés Montréal and its subsidiaries up to a total amount of 8,600,000 French francs, or their approximate equivalent of \$1,720,000 (1971—\$1,700,000). To February 28, 1972, this company has incurred gross cumulative losses of \$4,155,000 in its operations. The share of Steinberg's Limited in this deficit amounts to \$2,036,000 exclusive of future tax reductions. No reduction in the book value of the investment has been made to reflect these losses. Subsequent to July 29, 1972 the company has made arrangements for the sale of its interest in Supermarchés Montréal at the approximate cost of the investment and for the removal of its guarantees of that company's loans.

3. Long-term Debt and Other Obligations

Real estate operations	1972 \$	1971 \$
First mortgage sinking fund bonds—		
Ivanhoe Corporation—		
6¼% Series "A", due 1991	5,150,000	5,150,000
6¼% Series "B", due 1991 (repayable in U.S. currency \$2,190,000; 1971—\$2,250,000)	2,369,000	2,428,000
Steinberg's Properties Limited—		
4½% Series "A", due 1980	1,374,000	1,415,000
6% Series "B", "C" and "D", due 1982-84	6,578,000	7,106,000
Steinberg's Shopping Centres Limited—		
7% Series "A", due 1985	5,455,000	5,469,000
8½% Series "B", due 1994	4,601,000	4,602,000
Steinberg Realty Limited—		
8½% Series "A", due 1991	15,000,000	15,000,000
	<u>40,527,000</u>	<u>41,170,000</u>
Sinking fund requirements for the above bonds total \$8,270,000 for the five ensuing years. The excess of bonds redeemed and cancelled to date over the cumulative sinking fund requirements at July 29, 1972 amounting to \$1,898,000 may be applied against these requirements.		
Mortgage loans and balances payable on land purchases—		
6%-9% balances payable on land purchases	1,062,000	965,000
5½%-7½% mortgage loans, repayable in varying monthly instalments to 1985	9,953,000	10,719,000
10½% mortgage loan repayable in monthly instalments to 1996	979,000	996,000
	<u>11,994,000</u>	<u>12,680,000</u>
Advances—		
Non-interest bearing	646,000	546,000
6%-8½% due on demand	164,000	689,000
6¼%-7% term loan due 1972-74, repayable \$1,250,000 annually	3,750,000	4,000,000
	<u>4,560,000</u>	<u>5,235,000</u>
	<u>57,081,000</u>	<u>59,085,000</u>

Due to the nature of the real estate operations, the current portion due within one year has not been included under current liabilities. This portion will be financed in the same period, from rental income under lease agreements which has not been included in accounts receivable.

Retail and manufacturing operations

Sinking fund debentures—

Steinberg's Limited—		
5 ¾% due June 15, 1984 — Series "A"	10,021,000	11,330,000
6 ½% due April 15, 1986 — Series "B"	10,830,000	10,940,000
8 ½% due May 15, 1992 — Series "C"	20,000,000	—
	<u>40,851,000</u>	<u>22,270,000</u>

Sinking fund requirements for the Series "A" and "B" debentures are \$1,000,000 for each of the ensuing five years. The excess of bonds redeemed and cancelled to date over the cumulative sinking fund requirements at July 29, 1972 amounting to \$3,149,000 may be applied against these requirements. Sinking fund requirements for the Series "C" debentures amount to \$250,000 annually from 1976 to 1981 and increase thereafter.

Notes to Consolidated Financial Statements

for the year ended July 29, 1972 — Continued

	1972	1971
	\$	\$
3. Long-term Debt and Other Obligations (cont'd)		
Other obligations—		
8½% Industrial Development Bank loan secured by first mortgage bonds repayable in annual instalments of at least \$223,000	1,588,000	1,895,000
	42,439,000	24,165,000
Current portion due within one year	292,000	307,000
	<u>42,147,000</u>	<u>23,858,000</u>

4. Capital Stock

a) The 2½% subordinated preferred shares are subject to restrictions that no dividend will be payable thereon prior to August 1, 1972 and none of the shares may be retired prior to August 1, 1972. Thereafter, the company may redeem such shares to a maximum of \$1,000,000 in each year. Subsequent to July 29, 1972, the company redeemed 10,200 shares at par for a consideration of \$1,000,000.

b) The company has reserved 257,328 Class "A" shares as follows:

	Number of Shares	Price per Share
Options to senior employees—		
Exercisable to November 30, 1973	10,775	\$10
November 30, 1978	138,925	\$12
November 30, 1978	3,750	\$14
November 30, 1978	5,000	\$19
Reserved for future allocation at a price to be determined by the Board of Directors but not less than 90% of the market value at the time of allocation	65,600	—
Subscription rights under the Employee Stock Purchase Plan—1970 which will be in effect until		
February 28, 1973	19,388	\$12
February 28, 1973	4,410	\$14
February 28, 1973	9,480	\$22
	<u>257,328</u>	

c) During the year 55,729 Class "A" shares were issued to employees for cash of \$663,000. In addition 1,208 5¼% preferred shares — Series "A" were redeemed and retained earnings include an amount of \$120,800 set aside according to law equal to the par value of the shares redeemed.

5. Contributed Surplus

The contributed surplus as at July 29, 1972 consists of a premium on issue and conversion of shares and gains on redemption of 5¼% preferred shares amounting to \$10,486,000 with respect to prior years and of a gain on redemption of 5¼% preferred shares amounting to \$29,000 during 1972.

6. Retirement Plan

There is an obligation for past service pension benefits amounting to \$430,000 in accordance with an actuarial estimate as at December 31, 1971. This obligation is being satisfied by annual payments of \$33,000 with the final payment to be made in 1990.

7. Long-term Leases

The aggregate minimum rentals, exclusive of additional amounts based on percentage of sales, taxes, insurance and other occupancy charges under long-term leases in effect July 29, 1972 for each of the periods shown are as follows:

	Payable to Ivanhoe Corporation and subsidiaries	Payable to others
	\$	\$
1973-77	26,364,000	49,809,000
1978-82	22,611,000	45,884,000
1983-87	17,200,000	39,764,000
1988-92	13,058,000	29,971,000
After 1992	4,132,000	27,693,000
	<u>83,365,000</u>	<u>193,121,000</u>



8. Contingent Liabilities

a) Legal action

A legal action claiming \$1,000,000 was instituted in 1965 against Ivanhoe Corporation for an alleged breach of sale agreement in connection with a property transaction. Counsel for the company has advised that Ivanhoe Corporation has a valid defense but that even if the action were successful, damages awarded should not exceed \$25,000. The action has not yet been tried.

b) Income taxes

As reported in prior years, the Deputy Minister of Revenue of the Province of Quebec instituted legal action against the company claiming taxes for the years 1951 to 1963 inclusive, aggregating \$902,000 including interest to date of the action, on profits made through the disposition of capital assets. Judgement was awarded in favour of the company in the Quebec Superior Court; however, the Deputy Minister of Revenue has appealed the judgement to the Quebec Court of Appeal. The appeal has not yet been heard.

c) Guarantee

Ivanhoe Corporation has guaranteed bank loans, amounting to \$560,000 of companies in which it has ownership interests.

9. Depreciation and Amortization

Depreciation of fixed assets is computed on the straight-line method at rates which are sufficient to amortize the costs over their estimated useful lives.

10. Net Earnings per Class "A" and Common Share

Exercise of the outstanding options and subscription rights to purchase Class "A" shares would not have a significant dilutive effect on earnings per Class "A" and common share.

Auditors' Report to the Shareholders

We have examined the consolidated balance sheet of Steinberg's Limited and its subsidiaries as at July 29, 1972 and the consolidated statements of earnings (including the consolidated statements of earnings of Steinberg's Limited and its retail and manufacturing subsidiaries and the consolidated statements of earnings and cash flow of Ivanhoe Corporation and its subsidiaries), retained earnings and source and use of working capital for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these consolidated financial statements present fairly the financial position of the companies as at July 29, 1972 and the results of their operations and the source and use of their working capital for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

McDonald, Currie & Co.
Chartered Accountants

Montreal, October 30, 1972

Ten-Year Statistical Review

(expressed in thousands of dollars)

	1972	1971	1970
Sales—retail and manufacturing companies	\$871,828	\$786,407	\$679,650
Salaries, wages and employee benefits	\$114,650	\$102,575	\$ 88,206
Depreciation and amortization	\$ 11,511	\$ 10,674	\$ 10,168
Income taxes (federal and provincial)	\$ 10,067	\$ 9,111	\$ 8,393
Income taxes (deferred)	\$ 552	\$ (111)	\$ 1,054
Net earnings	\$ 14,972	\$ 9,459	\$ 9,317
Net earnings per dollar of sales	1.72¢	1.20¢	1.37¢
Net earnings per common and Class "A" share (in dollars)(1)	\$ 2.16	\$ 1.37	\$ 1.34
Inventories	\$ 68,440	\$ 59,011	\$ 55,723
Working capital (2)	\$ 26,203	\$ 8,979	\$ 9,151
Total assets (2)	\$287,848	\$266,685	\$252,950
Shareholders' equity (book value)	\$117,411	\$104,488	\$ 98,083
Return on equity	12.75%	9.05%	9.50%
Equity per common and Class "A" share (in dollars)	\$ 15.20	\$ 13.41	\$ 12.36
Dividends to shareholders	\$ 2,620	\$ 2,608	\$ 2,666
Capital expenditures	\$ 22,456	\$ 18,428	\$ 11,631
Food stores	185	179	176
Department stores	28	26	23
Sales areas in thousands of square feet—Food stores	2,692	2,544	2,455
—Department stores	2,001	2,138	1,980

(1) The figures for 1965 and prior years have been adjusted to reflect the subdivision of the common and Class "A" shares on a 2-1 basis in 1966.

(2) The figures for 1967 and subsequent years reflect the consolidation of Ivanhoe Corporation — (note 1 of financial statements).



1969	1968	1967	1966	1965	1964	1963
\$553,335	\$480,125	\$439,496	\$400,883	\$379,097	\$327,227	\$286,810
\$ 77,314	\$ 69,835	\$ 59,239	\$ 50,812	\$ 43,436	\$ 35,969	\$ 30,425
\$ 9,389	\$ 8,349	\$ 6,015	\$ 4,396	\$ 4,094	\$ 3,761	\$ 3,399
\$ 3,952	\$ 5,139	\$ 6,238	\$ 7,672	\$ 7,865	\$ 6,274	\$ 4,830
\$ 1,685	\$ 2,184	\$ 761	\$ 214	\$ 210	\$ 179	\$ 123
\$ 5,909	\$ 6,402	\$ 6,875	\$ 7,371	\$ 6,918	\$ 5,833	\$ 4,679
1.07¢	1.33¢	1.56¢	1.84¢	1.82¢	1.78¢	1.63¢
\$ 0.84	\$ 0.91	\$ 0.99	\$ 1.07	\$ 1.01	\$ 0.85	\$ 0.78
\$ 47,412	\$ 41,618	\$ 39,462	\$ 31,059	\$ 28,123	\$ 25,018	\$ 19,908
\$ 10,846	\$ 4,863	\$ 13,114	\$ 31,222	\$ 24,325	\$ 21,455	\$ 11,183
\$244,808	\$227,554	\$213,341	\$130,793	\$106,847	\$102,959	\$ 82,411
\$ 91,410	\$ 88,276	\$ 84,859	\$ 69,839	\$ 64,227	\$ 58,881	\$ 54,724
6.46%	7.25%	8.10%	10.55%	10.77%	9.91%	8.55%
\$ 11.37	\$ 10.89	\$ 10.51	\$ 9.81	\$ 9.04	\$ 8.28	\$ 7.57
\$ 2,671	\$ 2,665	\$ 2,645	\$ 2,431	\$ 2,136	\$ 1,780	\$ 1,457
\$ 16,860	\$ 21,616	\$ 16,919	\$ 13,794	\$ 7,053	\$ 5,134	\$ 5,299
178	175	168	157	148	143	141
22	15	15	11	10	8	5
2,467	2,390	2,250	2,056	1,931	1,822	1,752
1,904	1,430	1,430	950	867	692	432

Directors

André Charron, O.C.
President
Levesque, Beaubien Inc.

Melvyn A. Dobrin
President
Steinberg's Limited

James N. Doyle
Vice-President & General Counsel, Steinberg's Limited

Campbell W. Leach, C.A., D.C.L.
H. Arnold Steinberg
Executive Vice-President
Administration & Finance
Steinberg's Limited

Hon. Lazarus Phillips, O.B.E., O.C.
Senior Partner
Phillips & Vineberg

Gérard Plourde
Chairman of the Board
UAP Inc.

Morris Steinberg
President
Cardinal Distributors
(1970) Limited

Nathan Steinberg
Vice-Chairman of the Board
& Senior Vice-President
Steinberg's Limited

Sam Steinberg
Chairman of the Board
Steinberg's Limited

Officers

Sam Steinberg
Chairman of the Board
& Chief Executive Officer

Nathan Steinberg
Vice-Chairman of the Board
& Senior Vice-President

Melvyn A. Dobrin
President

Jack Levine
Executive Vice-President
Retailing

Oscar Plotnick
Executive Vice-President
& General Manager
Ontario Division

H. Arnold Steinberg
Executive Vice-President
Administration & Finance—
Treasurer

Norman Auslander
Vice-President
Sales & Operations
Ontario Division

James N. Doyle
Vice-President &
General Counsel

William Howieson
Vice-President & Comptroller

Arthur E. Mishkin
Vice-President &
General Merchandise Manager
Miracle Mart Division

Guy Normandin
Vice-President

Donald S. Rogers
Vice-President & General
Manager, Miracle Mart Division

Gerry Spitzer
Vice-President & General Manager
Quebec Division

Henri Tremblay
Vice-President, Personnel

Stanley F. English
Assistant General Counsel &
Assistant Secretary

Ls-Gilles Gagnon
Secretary

Active Subsidiary Companies

Cardinal Distributors
(1970) Limited
Morris Steinberg
President

Cartier Sugar Ltd.
John A. Lang
President

Intercity Food Services Inc.
Lewis Steinberg
President

Ivanhoe Corporation
Sol I. Sternfeld
General Manager
Shopping Centres

Oak Pharmacies Limited
Donald S. Rogers
President

Phénix Flour Limited
John A. Lang
President

Steinberg Foods Limited
Guy Normandin
President & General Manager

Transfer Agent

Montreal Trust Company
Halifax, Montreal, Toronto, Winnipeg, Regina, Calgary and Vancouver

Registrar

The Royal Trust Company
Halifax, Montreal, Toronto, Winnipeg, Regina, Calgary and Vancouver

Stock Exchange Listings

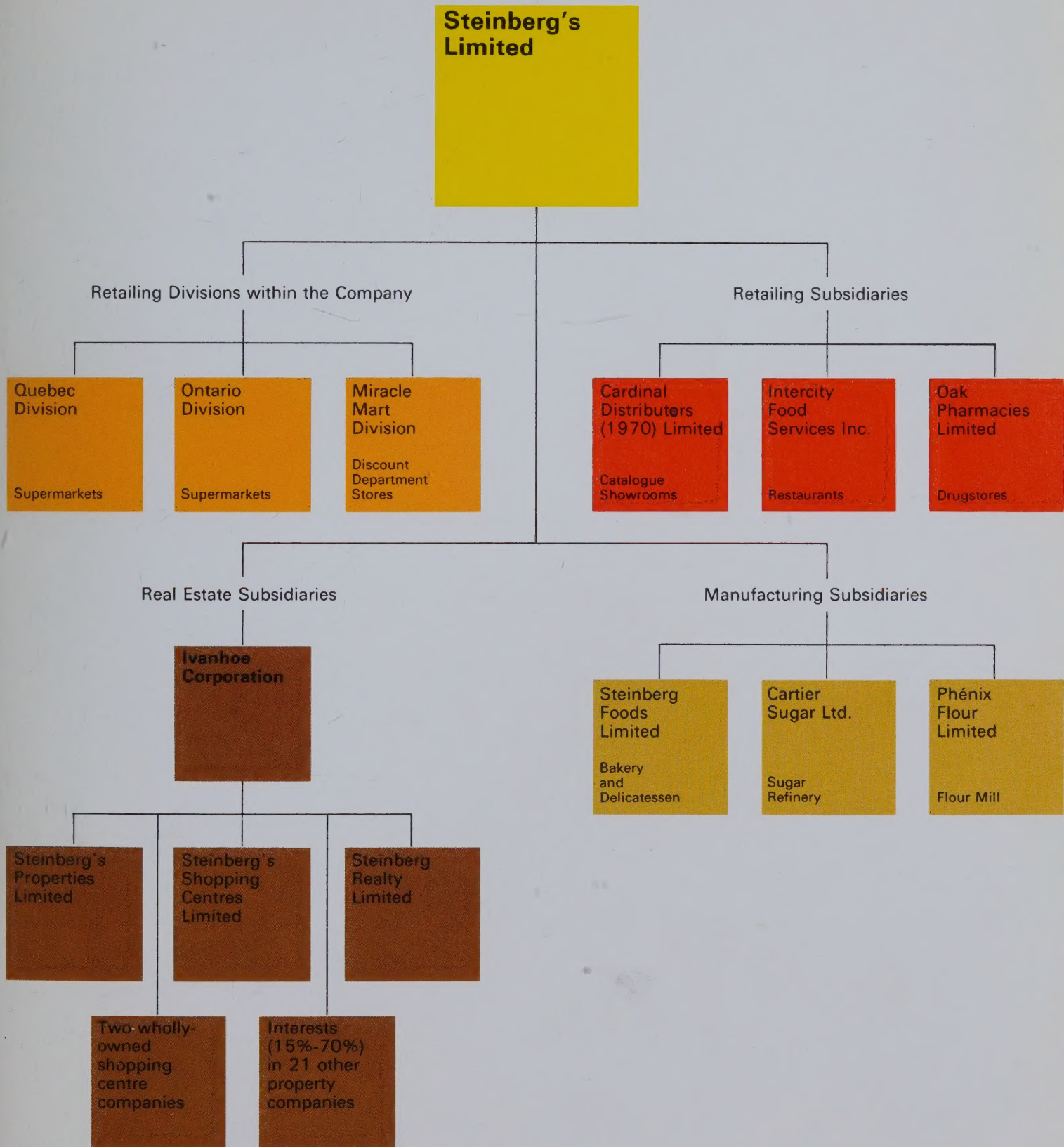
—Class "A" and 5¼% Preferred Shares

Montreal Stock Exchange
Toronto Stock Exchange

Auditors

McDonald, Currie & Co.
Montreal

Our Company Structure





Serving Canadian Families
since 1917